## 1. MC Qu. 01-67 Refer to the accompanying table. The...

Refer to the accompanying table. The marginal benefit of the 5th unit of activity is

| Units of Activity | Total Cost | Total Benefit |
|---|---|---|
| 0 | $ 0 | $ 0 |
| 1 | 30 | 100 |
| 2 | 40 | 160 |
| 3 | 60 | 190 |
| 4 | 100 | 210 |
| 5 | 150 | 220 |
| 6 | 210 | 225 |

Multiple Choice

- $50.
- $44.
- $10.
- $5.

## 2. MC Qu. 01-92 The accompanying table shows the relationship...

The accompanying table shows the relationship between the speed of a computer's CPU and its benefits and costs. Assume that all other features of the computer are the same (that is, CPU speed is the only source of variation), and only the CPU speeds listed in the table are available for purchase.

| CPU GHz | Total Benefit | Marginal Benefit | Total Cost | Marginal Costs |
|---|---|---|---|---|
| 2.0 | $ 1,000 | | $ 900 | |
| 2.5 | $ 1,400 | | | $ 100 |
| 3.0 | | $ 300 | $ 1,200 | |
| 3.5 | $ 1,900 | | $ 1,500 | |
| 4.0 | $ 2,000 | | | $ 400 |

The marginal cost of upgrading from a 2.5GHz to 3.0GHz computer is

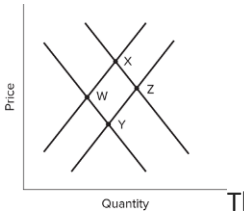
Multiple Choice

- $400.
- $300.
- $200.

- $100.

## 3. TB MC Qu. 02-155 (Algo) Refer to the accompanying figure....

Refer to the accompanying figure. Assume the market is originally at point X. Movement to point Z is the result of



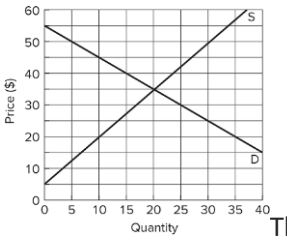
The graph plots quantity versus price. Two parallel lines starting from the top left of the first quadrant and ending at the bottom right intersect two parallel lines starting from the bottom left of the first quadrant and ending on the top right at the following points – X, Z, Y and W.

Multiple Choice

- an increase in demand and a decrease in supply.
- an increase in demand and no change in supply.
- no change in demand and a decrease in supply.
- no change in demand and an increase in supply.

## 4. TB MC Qu. 02-55 Refer to the figure below....

Refer to the figure below. There would be an excess supply of 25 units at a price of _____.



The graph plots quantity versus price in dollars. The line marked S starts at (0, 5) from the bottom left of the first quadrant and goes diagonally up and to the right and ends on the top right of the first quadrant at (37, 60) passing through the following points – (10, 20), (20, 35) and (30, 50). The line marked D starts from the top left of the first quadrant at (0, 55) and comes down diagonally and to the right and ends close to the bottom right of the first quadrant at (40, 15) passing through the following points – (10, 45), (20, 35) and (30, 25). The lines S and D intersect at (20, 35).

Multiple Choice

- $20
- $35
- $45
- $50

## 5. TB MC Qu. 02-120 (Algo) Refer to the given table....

Refer to the given table. Suppose the columns in this table reflect demand and supply. There will be an excess supply of 30 units at a price of

| Price Per Unit | Column A Units Per Year | Column B Units Per Year |
|---|---|---|
| $ 20 | 100 | 40 |
| 30 | 95 | 50 |
| 40 | 80 | 60 |
| 50 | 65 | 70 |
| 60 | 50 | 80 |

Multiple Choice

- $50.
- $40.
- $30.
- $60.

## 6. TB MC Qu. 04-93 (Algo) Given the following data for...

Given the following data for the economy, compute the value of the investment component of GDP.

| | |
|---|---|
| **Government purchases of goods and services** | 24 |
| **Consumption expenditures** | 105 |
| **Exports** | 12 |
| **Imports** | 23 |
| **Change in inventories** | −11 |
| **Construction of new homes and apartments** | 20 |
| **Sales of existing homes and apartments** | 20 |
| **Government payments to retirees** | 27 |

| | |
|---|---|
| **Business fixed investment** | 23 |

Multiple Choice

- 36
- 32
- 52
- 47

## 7. MC Qu. 06-29 (Algo) High Tech, Incorporated produces plastic...

High Tech, Incorporated produces plastic chairs that sell for $20 each. The accompanying table provides information about how many plastic chairs can be produced per hour.

| Number of Workers | Chairs Produced Per Hour |
|---|---|
| 0 | 0 |
| 1 | 17 |
| 2 | 32 |
| 3 | 45 |
| 4 | 56 |
| 5 | 65 |

For simplicity, assume that labor is the only input. How many workers will be hired if the hourly wage for workers is $200?

Multiple Choice

- 2
- 3
- 1
- 4

## 8. MC Qu. 06-41 (Algo) Production data for Joe's Pizza...

Production data for Joe's Pizza Parlor are as follows. For simplicity assume that labor is the only input. Each pizza sells for $5.

| Number of Workers | Pizzas Baked Per Day |
|---|---|
| 0 | 0 |

| | |
|---|---|
| 1 | 15 |
| 2 | 29 |
| 3 | 42 |
| 4 | 54 |
| 5 | 65 |

How many workers will Joe hire if he must pay each one $15 a day?

Multiple Choice

- 4
- 5
- 2
- 3